

**2008 APPROVED
WORK PLAN AND MEETING SCHEDULE
for the
REVENUE STABILIZATION AND TAX POLICY COMMITTEE**

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Approved Work Plan and Focus for 2008

The revenue stabilization and tax policy committee is a statutorily created joint interim legislative committee. Pursuant to Section 2-16-3 NMSA 1978, the committee is directed to "examine the statutes, constitutional provisions, regulations and court decisions governing revenue stabilization and tax policy in New Mexico and recommend legislation or changes if any are found to be necessary . . .".

A. In the 2008 interim, the committee will:

1. examine the property tax, especially the details and interrelationship of yield control and the limitations on property tax, causes of large increases in property tax in certain counties, the effects of tax increment financing on property tax revenue and the extent of use and effect of the use of industrial revenue bonds;

2. review historic levels of expenditures for each county, rate changes and trends in each county, including identifying the last year in which a full county reassessment was completed and identifying the percent of each county's budget representing operational mill levies; examine the money received from the public school funding formula for schools in counties where values

are underassessed and determine the effect on funding formula distributions to the school districts in those counties;

3. continue to examine the effectiveness of tax credits and their resulting impact on revenue;

4. conduct a detailed review of each major revenue-generating tax and its respective current and future contribution to overall revenue of the state;

5. revisit the consolidation proposal for low- and middle-income tax credits, deductions, exemptions and other tax benefits to reduce the complexity of personal income tax returns;

6. conduct a detailed review of the tax increment financing law to determine if amendments are necessary to accomplish the state's goals for which the districts were created, including assessing whether an expansion of the law to include existing businesses is feasible;

7. examine issues related to the severance tax permanent fund, including revenue trends and distribution trends to the general fund; and

8. review concepts and proposed legislation that will provide full disclosure of probable property tax rates to owners of newly transferred property.

B. Other matters that will be addressed by the committee include:

1. receiving revenue projections and examining any anticipated or observed trends occurring in the revenue outlook for the upcoming year, including reviewing the revenue outlook for the state road fund and other funding mechanisms for roadway and transportation expansion and maintenance;

2. a review of legislative proposals to be introduced in the 2009 legislative session by the taxation and revenue department;

3. periodic updates on the progress of implementation of recently adopted tax legislation;

4. an update on the national effort to streamline sales taxes and sales tax policy;

5. a review of the racing facilities of race tracks to determine sufficiency of facilities for continued improvement of the New Mexico horse racing industry; examine the status of the state fair racing meets and facilities after separation of the Downs at Albuquerque from the state fair grounds;

6. a discussion of state plans or an examination of concepts to provide mass transit in the state, with special emphasis on mass transit provision in rural areas and funding mechanisms to provide mass transit other than the rail runner;

7. review the number and purpose of quasi-governmental entities that have been authorized to levy taxes and determine the rate, amount and type of taxes imposed and whether those authorities are or should be subject to yield control;

8. examine what revenues are used to support local government budgets, what can be done to broaden the revenue base for local governments and whether local government revenues adequately cover the costs of burdens placed upon them by the state or due to federal mandates and weigh the impact of redirecting any additional amount of the state revenue base to local governments against the loss to the state of those revenues;

9. continue to examine regulatory reform, and review Senate Memorial 53 on administrative process and regulatory reform;

10. review special methods of evaluating property taxes for various industries, such as power plants or railroads; and

11. review fuel taxes for farm use and determine whether taxes should remain in place or whether they impose too great a burden on agricultural producers due to the increased fuel prices.

APPROVED MEETING SCHEDULE

The dates on which the revenue stabilization and tax policy committee proposes to meet are:

<u>Date</u>	<u>Location</u>
June 05 (Th)	Santa Fe, State Capitol, Room 322
July 02-03 (W-Th)	Taos
August 20-21 (W-Th)	Ruidoso
September 10-12 (W-Fr)	Farmington
October 16-17 (Th-Fr)	Albuquerque
November 06-07 (Th-Fr)	Santa Fe
December 15-16 (M-Tu)	Santa Fe